

Remarks

This Application has been carefully reviewed in light of the Office Action mailed on September 23, 2004. Applicant appreciates the Examiner's consideration of this Application and respectfully provides these remarks. Although Applicant believes all claims are allowable without amendment, to expedite issuance of a patent from this Application, Applicant has made clarifying amendments to Claims 1, 5, 10, 14, 19-20, and 24. Applicant does not consider any of these changes narrowing or necessary for patentability. Applicant respectfully requests reconsideration and allowance of all pending claims.

The Abstract, as Amended, Does Not Exceed the Word Limit

The Examiner objects to the Abstract because it is too long, exceeding the 150 word limit. Applicant has amended the Abstract such that, as amended, the Abstract is within the 150 word limit. Applicant respectfully requests the Examiner to withdraw the objection to the Abstract.

The Claims are Definite under 35 U.S.C. § 112

Claims 1-9, 19

The Examiner rejects Claims 1-9, and 19 as being indefinite under 35 U.S.C. § 112, second paragraph. The Examiner states, "[the claims] are directed to a 'system' however there is claim language in the body of the claims that is directed to both an apparatus and a method." Applicant respectfully disagrees.

Claim 1 is directed to a system that comprises two elements. The first element recited is "one or more databases," the one or more databases being further described as containing certain identified information. The second element recited is "a pricing engine," the pricing engine further described as being operable to perform certain identified operations. The mere fact that a system element is recited as being able to perform certain operations does somehow transform the claim into one directed to a method. Claim 1 clearly satisfies the definiteness requirement under 35 U.S.C. § 112.

Similarly, Claim 19 is directed towards a system that comprises four elements. The first element recited is a “means for storing” certain identified information; the second element is a “means for determining a pricing differential;” the third element is a “means for accessing the market pricing information;” and the fourth element is a “means for applying the market pricing information.” Claim 19 satisfies the requirements in 35 U.S.C. § 112, paragraph six, as a claim for a combination that expresses an element of the claim as a means for performing a specified function without reciting the structure in support thereof. Furthermore, the mere fact that a system element is recited as being able to perform certain operations does somehow transform the claim into one directed to a method. Accordingly, Claim 19 clearly satisfies the definiteness requirement under 35 U.S.C. § 112.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of independent Claims 1 and 19 and their dependent claims.

Claims 3, 11, 22

The Examiner states that “it is unclear exactly what ‘a substantially fungible’ item is.” Applicant respectfully disagrees. The term fungible is intended to be interpreted according to its ordinary meaning. That interpretation is consistent with a market in which participants will freely exchange one item for another because the differences between the items are immaterial. With regard to the term “substantially,” the M.P.E.P. states that “breadth is not to be equated with indefiniteness.” M.P.E.P. § 2173.04. The M.P.E.P. explains that the term “substantially” is a broad term that is “often used in conjunction with another term to describe a particular characteristic of the claimed invention.” M.P.E.P. § 2173.05(b). Applying ordinary meaning to the terms “substantially” and “fungible,” it is clear that a person of ordinary skill in the art would understand what is meant by: “wherein the reference item is a substantially fungible item that serves as a proxy for price elasticity in at least a portion of a market that includes the target and reference items.” For at least these reasons, Applicant respectfully requests reconsideration and allowance of dependent Claims 3, 11, and 22.

Claims 5, 14, 24

Although Applicant believes dependent Claims 5, 14, and 24 are definite under 35 U.S.C. § 112 without amendment, to expedite issuance of a patent from this Application, Applicant has amended Claims 5, 14, and 24 to recite “as a difference between one or more historical prices of the target item and one or more historical prices of the reference item.” For at least these reasons, Applicant respectfully requests reconsideration and allowance of Claims 5, 14, and 24.

Independent Claims 10-18 Recite Patentable Subject Matter

The Examiner rejects independent Claims 10-18 as being directed to non-statutory subject matter under 35 U.S.C. § 101. Although Applicant believes Claims 10-18 are directed to patentable subject matter without amendment, in an effort to expedite the present case to issuance, Applicant has amended the preamble of Claim 10 to recite “the software being embodied in a computer-readable medium and, when executed using one or more computer systems, operable to” perform the recited operations. For at least these reasons, Applicant respectfully requests reconsideration and allowance of independent Claim 10 and its dependent claims.

Independent Claims 1, 10, 19, and 20 are Allowable over *Reuhl*

The Examiner rejects independent Claims 1, 10, 19, and 20 under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 5,873,069 to Reuhl et al. (“*Reuhl*”). *Reuhl* merely discloses an automated pricing system that is responsive to changes in market prices. (Column 1, Lines 7-15). The pricing system in *Reuhl* makes pricing adjustments based on a comparison with information on updated competitors prices, for the same or substantially similar products. (Column 3, Lines 19-28). The price adjustments in *Reuhl* are directed to maintaining the lowest price in a particular market. (Column 3, Lines 49-54).

In contrast, independent Claim 1 of the present Application, as amended, recites:

A system for generating market pricing information for a non-fungible item, comprising:
 one or more databases containing:
 historical pricing information for at least one reference item;
 historical pricing information for at least one non-fungible target item; and

market pricing information for at least the reference item; and
a pricing engine operable to:
determine a pricing differential between the non-fungible target
item and the reference item, the pricing differential reflecting the historical
pricing information for the non-fungible target and reference items;
access the market pricing information for the reference item;
and
apply the pricing differential to the market pricing information
for the reference item to generate market pricing information for the non-
fungible target item.

Independent Claims 10, 19, and 20, as amended, recite certain substantially similar
limitations.

The Examiner equates the “data records in the tables regarding system company prices
and competitor prices,” disclosed in *Reuhl*, with the “one or more databases containing
historical pricing information for at least one reference item, historical pricing information for
at least one non-fungible target item, and market pricing information for at least the reference
item,” recited in independent Claim 1. Applicant respectfully disagrees.

The data records disclosed in *Reuhl* are described as containing pricing information for
the goods sold by the system user and the same or substantially similar goods sold by
competitors. (Column 3, Lines 25-28; Col 6, Lines 29-35). *Reuhl* describes its system as
“particularly well-suited as a retail pricing system.” (Column 1, Lines 11-15). The exemplary
goods disclosed in *Reuhl* include food, grocery, and appliances—especially consumer
appliances and electronics such as television sets. (Column 1, Lines 18-33). These are all
examples of fungible goods. In addition, it is clear that the pricing system disclosed in *Reuhl*
is directed towards use for fungible goods, because the purpose of the system is to assist the
system user in maintaining the lowest price in a particular market. (Column 3, Lines 49-54).
Clearly, the goods contemplated in *Reuhl* are fungible goods that are sold as commodities
with price being the primary or only distinguishing feature. Moreover, the mere fact that the
system disclosed in *Reuhl* uses current prices for competing products to determine pricing for
the system user’s products is strong evidence that the products contemplated in *Reuhl* are, in
fact, fungible goods with only immaterial differences. Accordingly, the “data records in the
tables regarding system company prices and competitor prices,” disclosed in *Reuhl*, cannot

constitute “historical pricing information for at least one non-fungible target item,” as recited in independent Claim 1. In fact, nowhere in *Reuhl* is there any explicit or inherent disclosure of any “non-fungible” items. Accordingly, *Reuhl* necessarily fails to disclose, teach, or suggest “one or more databases containing historical pricing information for at least one non-fungible target item,” as recited in independent Claim 1.

The Examiner further argues that “a pricing engine operable to determine a pricing differential between the target item and the reference item, the pricing differential reflecting the historical pricing information for the target and reference items,” as recited in Claim 1 prior to the amendments made in this Response, is disclosed in the following portion of *Reuhl*:

[T]he system receives competitor price data for items, compares the competitors’ prices with the active price, and automatically changes the active price in accordance with certain rules depending on whether the competitor’s price is an advertised price, a non-advertised price or a value-added price. The system stores beginning and ending dates for “sale” prices and other promotion and automatically deletes any expired price from the normal pricing table. Product and price data are input daily and prices change, as necessary, up to twice per day, but other frequencies are possible. In addition, the system provides for price override (e.g., for an employee discount price) which when entered into the system neither triggers nor prevents automatic change based on other data.

Applicant respectfully disagrees. As shown above, nothing in the language quoted above or anywhere in *Reuhl* explicitly or inherently discloses, teaches, or suggests “historical pricing information for at least one non-fungible target item.” Therefore, *Reuhl* and the language quoted above necessarily fail to disclose a pricing engine operable to “determine a pricing differential between the non-fungible target item and the reference item, the pricing differential reflecting the historical pricing information for the non-fungible target and reference items,” as recited in independent Claim 1.

“A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” M.P.E.P. § 2131 (quoting *Verdegaal Bros. v. Union Oil Co. of California*, 2 U.S.P.Q.2d 1051, 1053 (Fed. Cir. 1987)). Moreover, “the identical invention must be shown in as complete detail as is contained in the . . . claim.” M.P.E.P. § 2131 (quoting *Richardson v. Suzuki Motor Co.*, 9

U.S.P.Q.2d 1913, 1920 (Fed. Cir. 1989)). Furthermore, “[t]he elements must be arranged as required by the claim.” M.P.E.P. § 2131 (citing *In Re Bond*, 15 U.S.P.Q.2d 1566 (Fed. Cir. 1990)). As shown above, *Reuhl* fails to disclose, teach or suggest, either expressly or inherently, each and every limitation recited in independent Claim 1, as the M.P.E.P. and governing Federal Circuit case law require.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of independent Claims 1, 10, 19, and 20, and all their dependent claims.

**Dependent Claims 4, 13, and 23 are Allowable Over the Proposed
Reuhl-Foley Combination**

The Examiner rejects dependent Claims 4, 13, and 23 under 35 U.S.C. § 103(a) as being unpatentable over *Reuhl* in view of U.S. Patent No. 5,249,120 to Foley (“*Foley*”). Applicant respectfully disagrees with the Examiner.

As shown above, independent Claims 1, 10, and 20 are allowable because they recite certain limitations that *Reuhl* does not disclose, teach, or suggest. Claims 4, 13, and 23 depend on these allowable independent claims and are allowable for at least this reason. In addition, Applicant respectfully submits that the rejection of dependent Claims 4, 13, and 23 based on the proposed *Reuhl-Nymeyer* combination is improper because the Examiner has not shown the required teaching, suggestion, or motivation in *Reuhl*, *Nymeyer*, or knowledge generally available to those of ordinary skill in the art at the time of the invention to combine *Reuhl* and *Nymeyer* in the manner proposed by the Examiner. Furthermore, even if the *Reuhl-Nymeyer* combination were proper, the proposed *Reuhl-Nymeyer* combination fails to remedy the deficiencies of *Reuhl*.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of dependent Claims 4, 13, and 23.

**Dependent Claims 9, 18, and 28 are Allowable over the Proposed
Reuhl-Nymeyer Combination**

The Examiner rejects dependent Claims 9, 18, and 28 under 35 U.S.C. § 103(a) as being unpatentable over *Reuhl* in view of U.S. Patent No. 5,249,120 to Nymeyer ("*Nymeyer*"). Applicant respectfully disagrees with the Examiner.

As shown above, independent Claims 1, 10, and 20 are allowable because they recite certain limitations that *Reuhl* does not disclose, teach, or suggest. Claims 8, 18, and 28 depend on these allowable independent claims and are allowable for at least this reason. In addition, Applicant respectfully submits that the rejection of dependent Claims 9, 18, and 28 based on the proposed *Reuhl-Nymeyer* combination is improper because the Examiner has not shown the required teaching, suggestion, or motivation in *Reuhl*, *Nymeyer*, or knowledge generally available to those of ordinary skill in the art at the time of the invention to combine *Reuhl* and *Nymeyer* in the manner proposed by the Examiner. Furthermore, even if the *Reuhl-Nymeyer* combination were proper, the proposed *Reuhl-Nymeyer* combination fails to remedy the deficiencies of *Reuhl*.

For at least these reasons, Applicant respectfully requests reconsideration and allowance of dependent Claims 9, 18, and 28.

Conclusion

Applicant has made an earnest attempt to place this case in condition for allowance. For at least the foregoing reasons, Applicant respectfully requests full allowance of all pending claims.

If the Examiner believes that a telephone conference would advance prosecution of this case, the Examiner is invited to call Christopher W. Kennerly, attorney for Applicant, at 214.953.6812.

Applicant believes no fee is due. Nonetheless, the Commissioner is hereby authorized to charge any fee and credit any overpayment to Deposit Account No. 02-0384 of Baker Botts L.L.P.

Respectfully submitted,
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